GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:55
ANSWERED ON:17.07.2017
Merchandise Exports from India Scheme
Sathyabama Smt. V.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of various measures taken and the results achieved through the Merchandise Exports from India Scheme under the Foreign Trade Policy since its introduction till date;
(b) whether the Government has taken keen interest to boost the export of knitwear and readymade garments from Tirupur city of Tamil Nadu; and
(c) if so, the details thereof and the measures implemented and the results achieved in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) The Merchandise Exports from India Scheme (MEIS) is in operation since April 1, 2015 under the Foreign Trade Policy (FTP) 2015-20.It aims to incentivize export of merchandise which are produced/manufactured in India. The scheme covered 4914 tariff lines at 8 digit level. Subsequently, the coverage was widened and rates were enhanced for some of the tariff lines under MEIS. At present, 7914 tariff lines are covered under the MEIS Scheme. The projected revenue to be foregone under the scheme is estimated at Rs.23,500for 2016-17.

Initially, destination countries were grouped into 3 market categories -Country Group A, Country Group B & Country Group C with differential rate of MEIS. Government has extended the market coverage of included lines to all countries and dispensed with the requirement of submission of Proof of Landing for exports w.e.f 04.05.2016. This step has been taken as part of ease of doing business and reduction of Transaction Cost of the exporters.
From the data available(table below), it is seen that in Rupee terms, the exports of items covered under MEIS Scheme have grown by 11.64% during 2016-17 while the growth of exports for items not covered under MEIS was 2.86% during the same period.

Category of Exports 2015-16 2016-17 % growth
Year On Year
Export of items/ ITC(HS) Tariff lines covered under MEIS 990885.5 1106206.4 11.64%
Export of items/ ITC(HS) Tariff lines not covered under MEIS 725492.5 746261.0 2.86%
Total Exports 1716378.0 1852467.4 7.93%
Source: DGCI&S, Kolkata, 2017Figures in Rupee crore.

(b). Tirupur is a Town of Export Excellence under Foreign Trade Policy. Government has announced Special Garment Package in June 2016 which is applicable to Knit wears and garments. Further, GST on knitting job work has been kept at 5%.

(c). (i). The details of the measures implemented by Govt. are as under:

1. 3% Interest Equalization Scheme for manufacturer exporters of readymade garments.(this scheme is also available to other sectors)
2. Integrated Skill Development Scheme
3. Amended Textile Up-gradation Scheme.
4. 2% MEIS scheme. (this scheme is also available to other sectors)
5. All Industry Duty Drawback.
6. Details of Special package for employment generation and promotion of exports in Textile and Apparel sector.
â€¢ Employee Provident Fund Scheme Reforms (12% Employee share of PF is supported by Govt.)
â€¢ Introduction of fixed term employment
â€¢ Additional incentives under Amended Technology Up-gradation Fund Scheme
â€¢ Enhanced duty drawback coverage through Rebate of State Levies Scheme.
â€¢ Special Advance License scheme under Foreign Trade Policy.
â€¢ Enhancing scope of Section 80JJAA of Income Tax Act
(ii). India's knitted garment exports growth is as below :
India"s Knitted Garment Exports
Product Code Product Exports in USD Mn.
2015-16 2016-17 % Growth
61 Knitted Wear 7,665.08 8,266.95 7.85%
Source: DGCI&S, Kolkata, 2017

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